

EquityClear® Fees from 1st July 2009

The cost associated with using the EquityClear service will depend on the members monthly volumes. All cleared volumes across all the trade sources cleared through the EquityClear® service are cumulative. The EquityClear® tariff structure supports members existing business whilst incentivising growth. With increased volumes members can reduce the cost of clearing to as low as 1p per trade.

LCH.Clearnet will apply the tariff structure below to a member's Average Daily Volume. This is derived by dividing the member's total volume for the month by the number of days in the month. The Average Daily Volume figure will then step through each band starting at 0 until it is reached. Please see example below.

Members can reduce costs further by using the 'family groupings' discount facility that is available upon request.

The fee structure highlights LCH.Clearnet's commitment to reduce fees and benefit its members. The tariff is structured to incentivise growth and reward those members that use the service.

Please use our [user friendly calculator](#) that will assist members with any modeling. Upon entering a member's volumes the calculator will highlight the associated fee.

Should you have any questions regarding the fee structure please contact:

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| | | | | | | | |
|--------------|------------|---------------|---------------|---------------|---------------|---------------|----------------|
| From | 0 | 10,001 | 20,001 | 40,001 | 60,001 | 80,001 | 100,001 |
| Price | 10p | 7p | 5p | 4p | 3p | 2p | 1p |

Example

3,000,000 trades / 21(Days in the Month) = 142,857 (Average Daily Volume)

10,000 trades at 10p = £1,000

10,000 trades at 7p = £700

20,000 trades at 5p = £1,000

20,000 trades at 4p = £800

20,000 trades at 3p = £600

20,000 trades at 2p = £400

42,857 trades at 1p = 428.57

Total 4,928.57 x 21 = £103,500

LCH.Clearnet passes through at cost, all settlement related fees to its members.

[For EUI settlement Related fees](#)

[For MTF settlement related fees](#)

Those Trade sources that choose to use the CCP services of EUI will be subject to an additional EUI CCP services fee that will be passed through at cost.

From 1st April 2008, EUI charge LCH.Clearnet a settlement fee that is also passed through at cost.

[Click here to view all associated EquityClear costs in PDF format.](#)

[Click here to view the EquityClear service description.](#)

Glossary of terminology used above

CCP Service fee: refers to Central Counterparty services offered by EUI

EUI: refers to Euroclear UK & Ireland

LSE: refers to London Stock Exchange

ADV: refers to Members Average Daily Volume

One-Time and Periodic Fees

a. Membership

£1,500 plus VAT (one-time joining fee)

b. Connectivity

To receive operational reports from the Clearing House, members must have appropriate direct or indirect communications links.

The Clearing House provides direct links, typically 2 x 2MB leased lines. The one-off and ongoing costs to members are as quoted in each instance by the telecommunications supplier, such as BT. These costs will vary according to capacity, configuration, member's location and building infrastructure.

Alternative VPN connections may be possible in some cases: these are provided by the relevant supplier. The Clearing House will charge for implementation support of such VPN links on an individual quotation basis.

Members may also link indirectly to receive Clearing House reports via their communications links to CREST.

c. Software

Banking, RepoClear® and SwapClear® reports are delivered in Business Objects report or in text file format. Clearing Members who wish to use the Business Objects report format should purchase software licence(s) directly from the supplier as appropriate.

Custody Services

Price of custody services (i.e. fees on margin cover collateral)

| | |
|-------------------------|---|
| Credit Variation Margin | Not allowed to cover a Debit Cash position No charge or payment to cover IM or debit CVM |
| Performance Bonds | Charge 0.10% to cover IM and CVM after offset Charge LDR plus 2.1% to cover CHF, JPY, DKK, NOK & SEK Debit Cash positions Charge LDR plus 1.1% to cover GBP, USD & EUR Debit Cash positions |
| Securities | Charge 0.10% to cover IM and CVM after offset Charge LDR plus 2.1% to cover CHF, JPY, DKK, NOK & SEK Debit Cash positions Charge LDR plus 1.1% to cover GBP, USD & EUR Debit Cash positions |
| Cash | Pay London Deposit Rate to cover on any cash balances held overnight |
| Foreign Cash | Pay LDR of cover currency on cash balances held overnight Charge LDR plus 2% to cover CHF, JPY, DKK, NOK & SEK Debit Cash positions Charge LDR plus 1% to cover GBP, USD and EUR Debit Cash positions |
| Forward Cash | Charge LDR plus 2% to cover CHF, JPY, DKK, NOK & SEK Debit Cash positions Charge LDR plus 1% to cover GBP, USD and EUR Debit Cash positions |

Notes:

IM - Initial Margin.

CVM - Contingent Variation Margin.

London Deposit Rate is calculated daily for each currency by 10:00 hours. It is derived from bid rates for overnight funds quoted by selected money market brokers and/or major banks. For next-day value currencies, LDR is calculated the day prior using tom/next rate.

Foreign Cash - cash in a currency other than that of the liability.

Forward Cash - cash which has been credited to an account for later value, e.g. an amount called via PPS for next-day value.

Prices of additional services to customers

Nil.

MTF Settlement Fee Schedule

Settlement related fees where LCH.Clearnet uses a Settlement Agent

The table below shows the settlement related fees that LCH.Clearnet expects to pay for settlement in the CSD's it settles. The fees will be passed through to clearing members monthly in arrears.

** It should be noted that the fees below are total cost of settlement and from time to time are subject to change.

* LCH.Clearnet has included Swiss settlements within the schedule but will not be using a Settlement Agent. All Swiss settlements will be instructed by LCH.Clearnet under Power of Attorney.

| Location | Settlement Fee ** | Income Payment Fee | Corporate Action Fee |
|--------------|-------------------|--------------------|----------------------|
| Austria | € 3.40 | € 15 | € 20 |
| Belgium | € 1.70 | € 15 | € 20 |
| Denmark | DKK 35 | DKK 113 | DKK 150 |
| Finland | € 4.50 | € 15 | € 20 |
| France | € 1.45 | € 15 | € 20 |
| Germany | € 1.72 | € 15 | € 20 |
| Italy | € 1.38 | € 15 | € 20 |
| Netherlands | € 1.70 | € 15 | € 20 |
| Norway | NKK 35 | NKK 125 | NKK 165 |
| Portugal | € 3.15 | € 15 | € 20 |
| Sweden | SEK 22.63 | SEK 138 | SEK 184 |
| Switzerland* | CHF 0.40 | CHF 24 | CHF 32 |
| UK & Ireland | £ 0.88 | £ 10 | £ 13 |

Euroclear UK & Ireland Settlement Related Fees

The table below shows the headline fees charged to LCH.Clearnet for its settlements in EUI and do not include any volume discounts that accrue throughout the year.

It should be noted that members that settle their business net will benefit from significant netting efficiencies and all members will benefit from LCH.Clearnet's volume discount which will reduce headline fees.

| EUI Settlement tariff | |
|-----------------------|-------------------------|
| 17.5p | Central Creation Charge |
| 25p | DvP Settlements |

The table below shows how EUI also charge for the CCP services it provides to LCH.Clearnet.

The subscription fee is divided by the total monthly number of settlements and added to the per settlement fee. At current levels this equates to approximately 20p per settlement.

| Monthly Subscription Fee | Per Settlement Fee |
|--------------------------|--------------------|
| £80,000 | 12p |
| £25,000 | 17p |
| £4,000 | 22p |

All members settling against LCH.Clearnet in EUI will be subject to these fees. The fees are invoiced monthly in arrears and deducted directly from members PPS account.